DOCUMENT RESUME

ED 248 614 EA 017 159

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TITLE Ensuring Community and Staff Support in Budget Adjustments: Participatory Management in Action.
PUB DATE 27 Sep 82
NOTE 10p.
AVAILABLE FROM Secretary, Independent School District 196, 14445 Diamond Path, Rosemount, MN 55068 ($2.00).
PUB TYPE Guides - Non-Classroom Use (055) -- Reports - Descriptive (141)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Board Administrator Relationship; *Budgeting; *Cooperation; *Educational Finance; Elementary Secondary Education; Inservice Education; *Participative Decision Making; *Problem Solving; Retrenchment; *School Community Relationship; Student School Relationship; Superintendents; Teacher Administrator Relationship; Teacher Participation
IDENTIFIERS Independent School District 196 MN; Quality Circles

ABSTRACT

A school district in Rosemont, Minnesota, cut 2.4 million dollars from its general fund budget in 1982-83, a cut of almost 10 percent. Instead of splitting the community, the district emerged from the process stronger than before. This was accomplished through a 4-month participatory management process involving staff, citizens, parents, and students. First, recommendations for budget adjustments were solicited from the staff, then a task force on budget adjustment was established to categorize and rank the staff recommendations. Next the task force conducted a cost analysis for suggestions and put it into a format to disseminate to the community. After two board of education workshops that studied the budget issues, the recommendations were taken to parents and citizens. Staff members were trained to help facilitate public meetings, attended by 2,000 people, at the 10 elementary schools. "Quality Circles" were conducted with students to give them an opportunity to make suggestions. When the superintendent announced the budget reductions, the staff greeted her with a standing ovation and the board of education approved them unanimously. The public and the students had been treated as if they could understand complicated financing issues and rose to the challenge. Through a fully cooperative process, consensus was achieved. (MD)

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Ensuring Community and Staff Support in Budget Adjustments: Participatory Management in Action

by

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The competition for dollars for schools across the country continues from year to year. This contest for funds does not stop, of course, at the school house door. Once a school (district) gets what money it has been allocated, decisions about how that money is going to be spent within the district still have to be made. After competing with deteriorating highways and bridges or with the nation's defense forces, the competition turns inward. "What or who will be cut," we ask. "Will my special program go? Will my child's bus or athletic team, my school library's purchasing power, or even my job be "adjusted" out of existence"?

This competition for that scarce resource, the dollar, can have serious consequences: morale problems among staff, hostility between staff and administrators, hostility between schools and the communities they serve. Often, these consequences fall into the lap of the school superintendent, from whose office answers to the above questions come. It is in this context that the budget adjustment process used in Rosemount, Minnesota is so noteworthy: during late 1981 and early 1982, Independent School District 196 went through a budget adjustment process that resulted in cutting $2.4 million from a general fund budget originally projected to be $27 million in 1982-83--a cut of almost 10%. But far from splitting the community, the

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district emerged stronger than it had ever been from the anxious months of reducing and eliminating programs. This was accomplished through participatory management, a process which ensured both community and staff support for budget cuts that had to be made.

BACKGROUND INFORMATION:

Independent School District 196 is a growing public school district in the south suburbs of Minneapolis-St. Paul. The district covers an area of 110 square miles and includes all or part of nine municipalities. In 1981-82, when the budget adjustments were made, 47,000 people lived within the district boundaries, 12,800 of whom were students attending kindergarten through grade 12 in the 15 district schools. The district employs about 1,500 people, including 770 certified persons, and has a total budget in 1982-83 of $35 million.

All schools in Minnesota were originally supposed to receive $1,416 per pupil unit from the State for the 1982-83 school year. This amount was reduced to $1,325 per pupil unit for the year by the special session of the State Legislature. As a result, District 196 lost $1.5 million dollars. In addition, approximately $800,000 in special revenues was lost due to reductions in aids involving Transportation, Special Education, Secondary Vocational Education and Summer School. At the time the budget adjustment process was set in motion, several issues were pending, including salary negotiations for custodians, secretaries, aides, nurses, administrators and supervisors, questions of projected enrollments for 1982-83, and questions of whether the district would make use of new legislation permitting them to levy money for transportation and summer school.

BUDGET ADJUSTMENT PROCESS:

Budget reductions were made through a four-month long participatory management process which gave every staff member, citizen, parent and student the opportunity to express opinions on where cuts should and should not be made. Such a process was informed by the beliefs that (1) those most affected by a decision should be involved in making the decision and that (2) good decisions are informed decisions, made by people who understand revenues, levies, transfers and fund balances and who know about the relationships between class size, staffing ratios, and the use of available dollars. Although contractual obligations with all employees were to be maintained and programs and staff were to be given the highest priority for retention, nothing was to escape scrutiny: all parts of the budget--from the school superintendent's car to providing lunches for school trips--would be examined, alternatives and the possible outcomes of each alternative to be determined before a final decision would be made.

The process began in December, 1981, when 15 principals and 20 supervisors solicited recommendations from 1,500 employees on budget adjustments. Forty-five teachers, administrators and support staff--relatively unknown people as well as influential people--were then invited by the school superintendent, building principals, and the Task Force Chairman (a faculty member who had represented teachers in recent negotiations) to participate in an in-house Task Force on Budget Adjustment. Each Task Force group chose one area of the budget to examine (Staff, Programs, Supplies), and in January began meeting weekly, after the regular workday, to categorize and rank recommendations from staff members. The ultimate objective of the process was to cut $2.4 million from the 1982-83 projected general fund budget in a logical, rational manner, without diminishing the quality of education

provided students in the district; at this point, however, the Task Force was concerned solely with the impact on education cuts would have and not with the financial impact each item would have on the district. Only after tentative recommendations were sent back to the 1,500 staff members early in February for review was the Task Force Chairman charged with doing a cost analysis of the various suggestions and with putting the data in a form wich could be disseminated to the parents and citizens of the community.

In March, the Task Force reconvened to prepare a final set of recommendations. The information was displayed in a table like the one that follows: (See separate sheet for Table I.)

TABLE I

Program Consideration for Budget Adjustment

Alternative Number	Level Affected	Priority	Alternative	Estimated Savings Per Year	Estimate of Students Affected	Estimate of Teachers Affected	Miscellaneous Information Brief Rationale and/or Impact
8	6-12	High	Eliminate or reduce mid-term reports.	E $3,500 R	7,300	Indirectly All	A valuable communication with parents identifying progress of child. Used extensively during parent conferences.
9	K-12	High	Eliminate or reduce Staff Development (workshops, conferences, etc.)	E $26,000	Indirectly	Indirectly	Attendance at clinics, conventions, workshops improve the quality education. The merit of the workshop may have to be examined more closely.

Proposed items under consideration were numbered, the grades affected were labeled, the item was identified as a high, medium or low priority item, estimated savings per year and estimated number of students and teachers affected were given, and information either explaining the ranking or suggesting possible action for the future was included. Where appropriate, separate dollar amounts were entered in the table for reducing (R) and eliminating (E) a program.

At the end of March, after two Board of Education workshops were held to study budget issues, the packet of recommendations which now included suggestion on reducing and/or eliminating programs, staff, supplies, and administrators was taken to the parents and citizens so that they might also react. The packet, it was stressed, was not an administrative recommendation, but items subject to revision as suggestions were received and feelings made known. Following in-service workshops on running public meetings, one hundred and one members of the staff helped as conveners, presenters and observers at the ten elementary schools in the district. Over 2,000 people came out to speak, to listen, or to write responses. In the schools themselves, 'quality circles' were held in 727 classrooms in the district to give all 12,800 students the opportunity to make suggestions about how to save money. It was comforting to discover that students were saying the same things staff had said. "Cut back on instructional supplies," the teachers had recommended. "Delay textbook adoptions." "Cut back on cocurricular supplies." "Conserve energy." "Don't use so much paper," the students said. "We have too many books." "We can buy our own swimsuits." "Shut off the lights when you aren't using them."

RESULTS

In April, final suggestions were made by 15 building principals and 9 district administrators. District administrators held two, day-long sessions to review the suggestions and discuss the implications of the suggestions. When the superintendent announced the budget reductions to the staff, she was greeted with a standing ovation. When the budget adjustments were recommended to the Board of Education, they were approved unanimously.

To be successful in participatory management, you need 1) participants; 2) a clear mission, goals, and objectives; and 3) honesty in using the information solicited from various sources. The 4,000 written responses the superintendent received show the district had these three components. Many of the letters campaigned for specific programs, but an overwhelming number of responses, even while advocating athletics, or music, or computer science, or school nurses, or district bussing, showed awareness of how complicated the decisions were, recognized the merits of programs they would not specifically advocate, and praised the process. "You've got an awesome responsibility pending," one parent wrote. "Thank you for getting us involved." "I realize you have a hard task, deciding where to cut when every program has proponents," another wrote. "I realize you and the School Board are in an impossible position," said still another. "No matter what you do it will be wrong in someone's eyes. I do not pretend to have the answers to the budget cuts," he added, "but I would like to share with you my thoughts on each of the budget items." "I appreciate the way in which you and the district are going about the budget cuts. I hope our input as parents will be helpful to you in making some very tough decisions. Thank you for taking the time to listen to my suggestions and opinions. Good luck".

The budget adjustment process, then, succeeded far beyond the expectations of those who had brought it into being. A real esprit de corps developed within the schools themselves as well as between the schools and the larger community. The public, parents and concerned citizens alike, treated as if they could understand even complicated school financing issues, rose to the challenge and learned what they essentially needed to know to make informed decisions. A remarkable consensus was achieved; when the final packet, which had undergone at least four major revisions, was presented, there was little quarreling about priorities (although there was much discussion on almost all items!). The people in the district worked together in a cooperative spirit, using their energies in positive rather than negative ways. The process released an enormous amount of potential, potential which is being harnessed to look to the future, to continue to involve all people within the district in the business of the district.

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